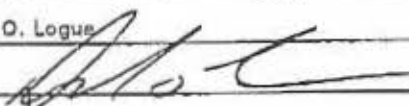
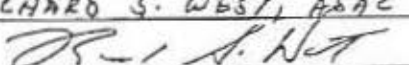


Reference 29

United States Environmental Protection Agency Criminal Investigation Division		
Memorandum of Interview		
1. Case Title: Westlake Polymers, Inc.	2. Case Number: 0601-0041	
3. Person Interviewed: Michael Ward	4. Office: Houston, TX	
5. Location of Interview: Corpus Christi, TX	6. Date of Interview: 2-17-96	
<p>On the above date, SI Brian Lynch and I interviewed Michael Ward, concerning his knowledge of the vinyl acetate slop stream delivered to Gulf Conservation Corporation (GCC) over the past few months. Ward's attorneys, Ronald Chachere and Paul Kratzig, were present during the interview at Ward's request. Ward provided the following information during the interview:</p> <p>He has been in the oil field production business for about 25 years. He has only worked in the production of crude oil and natural gas and has not worked in the crude blending or gathering business. He has no formal training in environmental matters and is not familiar with EPA and state environmental regulations.</p> <p>MJP Resources, Inc. (MJP) is his company. He formed it in the summer of 1995. He is the President and his wife is Secretary/Treasurer. MJP was meant to be a terminal facility for crude oil gatherers. He knew about the large storage capacity at the Norco facility and figured he could make some money in this business by being an alternative to Koch. He was going to operate like GATX.</p> <p>MJP is located across FM 2725 from GCC and he did not have an office there. He knew Jimmy Dupnik and would talk with him from time to time while he was working near GCC. He knew Dupnik had some office space available at GCC, so he decided to put his office there.</p> <p>At first he said he did not know much about Dupnik, but then he said he had known Dupnik for a long time. He has a terrible reputation for not paying his bills. He also heard that Dupnik was involved with the Hajecate at the Uni Refinery when that first opened. Dupnik had received probation from an indictment that came out of the Uni Refinery deal. He found out about Dupnik's probation about one and a half years ago. He first met Dupnik about two years ago in early 1994.</p>		
REPORT MADE BY:	Name: David O. Logue Signature: 	Date Signed: 3-4-96
APPROVING OFFICIAL:	Name: RICHARD S. WEST, ASAC Signature: 	Date Signed: 4-11-96

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He knew about the storage capacity at Norco because he had taken over the oil production operation for Solfred Maizus. Maizus would send money down and he would also pay the security guards at Norco. Maizus leases the tanks on the north side of the Norco facility to him.

When he decided to form MJP he did so with the backing of investors. But when he started talking with Dupnik he discovered Dupnik had some investors who would give him a better deal so he decided to use them instead. They are Frantzen and Voelker out of New Orleans, LA. He met them when they came down to check on Dupnik's operations during August 1995. He was not officing with Dupnik at the time. At first he said that he started officing at the GCC facility when the U-Haul truck was unloading office furniture, but he then corrected himself and said he actually started officing with GCC in November 1995. He first started using the GCC phones in October 1995 when he worked out of his briefcase and car. He would use the phones at the GCC facility and also answer the phones for Dupnik and GCC when Dupnik and Polly were not around.

When he started officing at GCC in November 1995, he had some of the MJP hands working there to help out Dupnik. He did not own or have any time for GCC business, however. As he said he would answer phones and answer questions on behalf of Dupnik when he could.

He knew GCC had a R2 plant permit and that he is real familiar with Texas Railroad Commission (RRC) terminology. He knew that the R2 permit gives GCC the right to take in exploration crude oil and production tank bottoms, clean them up and re-claim them. They are also allowed to blend the crude oil with cutter stock.

He knew Dupnik was getting cutter stock from Raco in October or November 1995 because he saw the Raco truck delivering it to GCC then. He met Frank Riebschlager when he was driving for Raco near the end of October or the first of November 1995. He and Joe Luca were down at the GCC facility at the same time. Riebschlager and Luca introduced themselves to Ward. He had a conversation with Riebschlager the first time he made a delivery to GCC. Riebschlager said that it was cutter stock. He had commented to Riebschlager that he looked tired and Riebschlager said he had driven all the way from Louisiana.

He met Luca at GCC on numerous occasions, [REDACTED] made a delivery of the cutter stock to GCC. Luca also called GCC almost daily looking for Dupnik. He never had any conversations of substance with Luca. He never discussed business with Luca.

He was never really suspicious of what Dupnik was doing. Now that he thinks about it, he did think "how can Jimmy pay \$10 or \$11 a barrel for cutter stock and still make money when crude oil sells for just \$14 a barrel. He did not believe that there would be any profit in the deal, what with the expenses of labor, transportation, etc. He says he did not know what material Dupnik was getting [REDACTED], but he did notice it smelled and it was not an odor he associated with crude oil activities or from an oil field. He never had any conversations with Luca [REDACTED] about the cutter stock or GCC activities.

He recalls a sample bottle of [REDACTED] cutter stock which was left in the GCC office. It was yellow colored. This was sometime in November 1995. He asked Dupnik what it was and Dupnik said it was the cutter stock he was using at GCC. He said it was mineral spirits. He has seen the [REDACTED] truck pulling into and out of the GCC facility on numerous occasions. On at least one occasion he observed the [REDACTED] drive up to the bay and park, and he observed them connect a hose between the truck and the tanks in the bay. This was when he had received a phone call for Dupnik and he walked out to the bay to tell him about the phone call.

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He said he understands that Dupnik was blending the cutter stock with crude oil tank bottoms. He believes that some of the cutter stock was blended with crude they got from Aransas Pass Warehouse. A man named Canterbury came out and made the deal with Dupnik sometime in November 1995. It was supposedly crude taken off of a barge that was not U.S. Coast Guard approved. The crude came from a well in Matagorda Bay. Dupnik asked him if he could use his MJP hands to remove crude at the Aransas Pass Warehouse. When they came back with trucks of oil they filled the tanks at GCC to capacity so Dupnik asked him to let him store the excess at Norco. He told Dupnik he could use one of the tanks, but that he must move it out right away because he did not have a lease or authorization to allow Dupnik to store stuff there. It was just one load of oil and Dupnik put it into one of the two tanks EPA-CID had sampled on the Norco facility. He had given Dupnik the key to the Norco gate earlier because Dupnik lived closer to Norco and could respond if there was a problem or to let the hands into the facility. Therefore, Dupnik had the key to the facility and could let trucks into the facility if and when he wanted. He does not know of any other loads Dupnik might have delivered to the Norco facility.

He does not remember signing for any shipments of material at the GCC facility, but he is not sure. He was not particularly suspicious of Dupnik's activities at GCC prior to his taking over GCC. The only thing that ever bothered him was that he kept seeing trucks come in with cutter stock, but never saw any trucks bringing in oil to blend with it. That is except for the Aransas Pass loads he mentioned earlier. He did see trucks come in to pick up material, however.

He does not remember when he first heard or became aware that the cutter stock Dupnik was getting had vinyl acetate in it. He believes he first learned about it just the other day when EPA-CID searched the facility. He did know Dupnik had a problem with the odor of the material. The material smelled very bad and Dupnik was having a hard time getting rid of it. He thinks Dupnik called Gary Witchie at Norco Crude to come and pick some up. They came and took samples of it, but finally said they could not use it. He saw an employee of Norco Crude come and sample the material.

He said he did not have any dealings with it until Walter Scott called and he talked to him about the clean up of the spill right before Christmas. Scott told him that he had samples of the spilled material and he was going to have them analyzed. He passed what Scott told him to Dupnik. The second time Scott talked to him about the spill, he also faxed some sample results to him. He put the results on Dupnik's desk. He also told Dupnik to call Scott about the problem of the spill. Scott gave Dupnik adequate time to clean up the spill. He first became aware of the spill right before a long weekend in early December. He remembers this because he went to a party in New Orleans with his partners Frantzen and Voelker. Dupnik was at the party. He says he thought Dupnik would have reported the spill. He says Dupnik knows the reporting requirements for spills.

In November, 1995, Dupnik had a problem with moisture at the R2 plant. Dupnik asked him if he knew of anyone who knew of a chemical to knock moisture out of tank bottoms. He told Dupnik to call Treat-a-Lite and some other company. He believes Dupnik called Treat-a-Lite, but he is not sure. He says he doesn't know if Dupnik was using hexane to cut the smell on the cutter stock, but Dupnik had made a deal to buy hexane from Formosa recently.

He first heard of Jack Ploss about two and a half weeks ago. Dupnik brought Ploss to GCC. Ploss got the tank cleaning job at Refugio-Exxon. Ploss wanted to lease tanks from MJP on the north side of FM 2725 which he can lease. But he did not do a deal with Ploss because Ploss wanted to use the tanks without cleaning them and that is a "no-no" in the terminal business. He told Ploss he would have to clean them due to government regulations and Ploss did not want to do it.

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As far as the tanks at Norco, he provided the following information:

The tanks on the north side of the facility are and were virtually empty. He leased six tanks and the truck rack on that side. He has re-piped and connected the tanks. There are barge pumps, overhead lines, and pipes that go underground to the refinery. Tanks 8 and 9 have floating roofs which were corroded. Tank 9 had about eight inches of oil on top of the roof and a lot of water. This tank was about half full. It is a 20,000 bbl tank. Tank 4 had about two feet of tank bottoms, tank 5 had about two feet of tank bottoms, and tank 6 had about three feet of oil in it. These are all estimates, of course.

The material from tanks 4,5, and 6 was placed into tank 7. When they got down to where the bottoms were bad he called H&K vacuum Service and told them he wanted the material removed with a vacuum truck. He placed the washout into tank number 7. The washout from tanks 5 or 6 was removed by the vacuum truck and put into tank number 27. He pumped the washout from tanks 8 and 9 into tank number 27 as well. It is labelled a waste tank on the diagram of the facility.

This project was started in October 1995 and just finished in February 1996. Now the tanks are all empty on the north side except for tank 7. It is half full. The rest was dumped into tank number 27.

The reason that there is no more oil in the tanks than noted is due to his predecessor, Roy Calloway. Maizus made a deal with Calloway and Ross Hughes in last two years to remove material from the tanks. Money from the oil was supposed to be split one half to Maizus and one half to Hughes and Calloway. Maizus received little money from the deal and he asked him to check out Phoenix Oil to see if they picked some of the oil up. He contacted Phoenix and talked with them. He asked them for bills to be forwarded, but they never came. They said they only received a small amount of the oil. He told them that he was going to report it stolen to the RRC and they finally told him they picked up 47 loads of oil. He was told by them that it came from the north side tanks and that they left what they couldn't pump. He thinks that tanks contained crude oil or waste oil and that tanks 8 and 9 may have contained 6-oil. At least it looked like it to him. He says tanks 8 and 9 smelled like crude oil to him or maybe 6-oil. Tank number 4 did not smell like crude. It smelled like gasoline or diesel. Alamo Environmental cleaned up the oil spill at MJP. They have a burner fuel market. They knew there was oil in the Norco tanks. He was approached by Craig Santana about buying the material in the Norco tanks. They were in the market to buy slop oil. He said yes to Santana and they sampled the tanks on the north side of the road and the others at the refinery cause he planned to use them eventually as well. He believes Alamo Environmental sampled the tanks. Santana said he count not use the material, however. This was sometime after the pipeline spill in December 1995. He says he paid Alamo Environmental for the U.S. coast Guard spill response plan/procedures book for the dock after the spill. It took the Coast Guard four times to get the plan approved. Alamo Environmental has never given him a copy of the plan and he has held up \$14,000 payment for the spill cleanup because of it. He finally got a copy of the plan directly from the Coast Guard.

He says he did not arrange the Formosa hexane deal. Dupnik did this and told him about the deal after he took over GCC. Dupnik told him he had a TNRCC letter approving the deal, but he has never seen the letter. Dupnik signed the contract with Formosa around December 1995, but at first Formosa would not sign, because they said GCC was not permitted to take the material. Then formosa got a verbal ok from TNRCC and later the letter approving the deal. That's when Formosa signed the deal and it was sometime in February 1996. David Hill from Formosa knows all about it.

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He had talked with Gilbert Prud'homme about his (Prud'homme) sending a letter cancelling the R2 permit. He wants to have one issued in GCC's name, if they decide to get another one from the RRC.

At the end of the interview, Ward remembered that Santana came to him and told him GCC had a real problem with Walter Scott at Alamo Concrete. This was right at Christmas time. Santana said he was going to have to really watch Dupnik. He says he was there the day Jeff Lewelyn came out to inspect the spill. He does not remember where the meeting occurred.